

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

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# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

TRIMESTER 2, 2018/2019

**BGM 2054 - GLOBAL MANAGEMENT**  
(All sections/ Groups)

14 MARCH 2019  
9.00 a.m – 11:00 a.m  
(2 Hours)

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### INSTRUCTIONS TO STUDENTS:

1. This question paper consists of **TWO** parts – Part A and Part B. The total number of pages for this examination paper is **8** pages (including the cover page).
2. Please answer **ALL** questions.
  - **Part A** contains multiple choice questions (40 marks). Shade the most appropriate response on the multiple-choice answer sheet.
  - **Part B** contains short answer questions (60 marks). Write your answers in the Answer Booklet provided.

**PART A: MULTIPLE CHOICE (40 marks)**

**Read each question below and then indicate the most appropriate response on the multiple-choice answer sheet. (2 marks for each correct answer, for a total of 40 marks)**

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1. Instant noodles prepared in a small Malaysian factory and sold by large supermarkets in the United States is an example of a \_\_\_\_\_.
  - A) Malaysian firm foreign direct investment
  - B) U.S. export
  - C) U.S. import
  - D) gross domestic product
  
2. A \_\_\_\_\_ is a political system in which a country's religious leaders serve as its political leaders.
  - A) democracy
  - B) theocracy
  - C) plutocracy
  - D) septocracy
  
3. In \_\_\_\_\_ cultures, economic systems tend to provide incentives and rewards for a person's private business initiatives.
  - A) individualist
  - B) high uncertainty avoidance
  - C) feminine
  - D) large power distance
  
4. Which of the following statements is true of a centrally planned economy?
  - A) Individual concerns are as important as the government's concerns.
  - B) Consumers determine the prices of products and labor.
  - C) Factories are privately owned.
  - D) The government sets the production goals.

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**Continued**

5. In a recent trip to Hong Kong, a group of tourists found several Prada bags being sold on the pavement. They cost only a few dollars and were clearly fake; though they bore the Prada trademark. This is an example of \_\_\_\_\_.

A) piracy  
B) monopolization  
C) ethnocentrism  
D) nationalization

6. \_\_\_\_\_ is the value of goods and services that can be purchased with one unit of a country's currency.

A) Potential output  
B) Gross national product  
C) Purchasing power  
D) Gross domestic product

7. Countries often use local content regulations to determine the proportion of the product that must be made in the local market versus made outside of the local market in order to \_\_\_\_\_.

A) maximize product safety  
B) ensure a cultural fit  
C) favor domestic companies  
D) relieve production pressures on local companies

8. Which theory is based on the notion that competitive advantage is dependent on the four interacting aspects of factor endowments, domestic demand, firm strategy, and related and supporting industries?

A) Strategic trade theory  
B) Product life cycle theory  
C) Comparative advantage theory  
D) National competitive advantage of industries theory

9. According to mercantilism, the accumulation of national wealth depended on the \_\_\_\_\_.

A) increase in a nation's trade surplus  
B) increase in a nation's trade deficit  
C) expansion of a nation's total value of trade  
D) expansion of a nation's total volume of trade

**Continued...**

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10. If there are twenty-six nations that continue to eliminate all barriers to trade among themselves and set a common trade policy against nonmembers, they would create a \_\_\_\_\_.

- A) free trade area
- B) preferential trading area
- C) customs union
- D) political union

**Question 11, 12 and 13 are derived from the news below**

17 October 2018 - In a bid to stem the flow of imported rubbish coming into Southeast Asia following China's waste ban, Thailand has announced a plan to halt all imports of plastic waste by 2021. Thailand is the latest country in the region to toughen restrictions on foreign waste as rubbish from developed nation's piles up at ports across Asia. After China shut its doors to foreign waste in January, the United States shipped nearly half of all its plastic waste to other Asian countries such as Thailand, Malaysia and Vietnam over the next six months. US exports of plastic waste to Thailand have spiked almost 2,000 per cent from 2017, amounting to 91,505 metric tonnes this year. Thailand's announcement follows recent decisions by its neighbours Malaysia and Vietnam, which have also tightened their policies on imports of foreign waste. In May, Vietnam temporarily banned plastic waste imports and ceased issuing new licenses for waste imports two months later. The country also revealed plans to crack down on illegal shipments of materials such as paper, plastic and metal. In the same month, Malaysia cancelled Approved permits (APs) for imports of plastic waste after public complaints led to the closure of several recycling factories in Banting, a region south-west of Kuala Lumpur.

*News was excerpted from: <https://www.eco-business.com/news/thailand-to-ban-plastic-waste-imports-by-2021/>*

11. Which of the following is an important goal for regional economic integration like ASEAN to combat plastic waste?

- A) to increase the selling prices of products
- B) to raise the living standards of people
- C) to limit the choice of products available to customers
- D) to establish a socialist government

**Continued ...**

12. When Thailand took action to ban all imports of plastic waste from the US, it is an example of Thailand's \_\_\_\_\_

- A) trade restriction
- B) trade promotion
- C) quota
- D) administrative delays

13. When Malaysia cancelled approved permits for imports of plastic waste, which of the following situations unlikely to occur in Malaysia?

- A) Legitimate recyclers with APs would suffer.
- B) More imports of plastic waste.
- C) Illegal shipments of plastics waste will increase
- D) Malaysia will become less attractive destination to export plastic waste.

14. Adapting products and their marketing strategies in each of the national markets of a company to suit local preferences is called a \_\_\_\_\_ strategy.

- A) multinational
- B) blue ocean
- C) global
- D) retrenchment

15. A company that is closing factories with unused capacity and laying-off workers is most likely following a \_\_\_\_\_ strategy.

- A) growth
- B) retrenchment
- C) stability
- D) combined

16. A promotional strategy designed to create buyer demand that will encourage channel members to stock a company's product is called a \_\_\_\_\_.

- A) pull strategy
- B) push strategy
- C) retrenchment strategy
- D) stability strategy

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**Continued ...**

17. A company that makes its marketing program elements uniform, targeting an entire region with similar products, is demonstrating \_\_\_\_\_.

- A) customization
- B) segmentation
- C) standardization
- D) differentiation

18. \_\_\_\_\_ is the instantaneous purchase and sale of a currency in different markets for profit.

- A) Currency hedging
- B) Currency arbitrage
- C) Currency speculation
- D) Currency conversion

19. When a country's currency is weak, the price of its \_\_\_\_\_.

- A) exports and imports on world markets declines
- B) exports and imports on world markets increases
- C) exports on world markets declines and the price of its imports increases
- D) exports on world markets increases and the price of its imports declines

20. Which of the following is a major drawback of ethnocentric staffing?

- A) high costs of relocating managers
- B) loss of control over host-country operations
- C) loss of control over home-country operations
- D) difficulty in the transfer of special know-how between branches

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**PART B: Short-Answer Questions (60 marks)**

Part B has THREE (3) questions. Answer ALL questions.

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**Question 1 (20 marks)**

1a. Describe THREE (3) potential benefits of international trade for a nation. (6 marks)

1b. Sally has a Malay contemporary apparel boutique called Sallyz Signature that has been operating for three years around Kuala Lumpur, Selangor and Penang. Sallyz Signature also operates via online. All of her customers so far are from Malaysia. She thinks it is a good move for her company to expand into a foreign market in 2019 as her company has a strong market base in Malaysia. She also receives product enquiries from potential customers from overseas and import agents for her apparels. However, she is unsure what forms of international entry modes available for an entrepreneur with low international business exposure like her. She prefers a low political and financial risk mode of entries.

Describe TWO (2) entry modes that is suitable for Sally's company.

(6 marks)

Provide TWO (2) rationales for each entry mode that you propose.

(8 marks)

You may present your answers by drawing a table as follows:

Descriptions on Entry Modes Suitable for Sally's Company.	Two rationales for the entry mode
I	
II	

Continued ...

**Question 2 (20 marks)**

2a. Provide **TWO (2)** implications of cultural imperialism with the support of examples. (8 marks)

2b. Describe relationships between culture and physical environment by illustrating with **THREE (3)** examples for topology and **THREE (3)** examples for climate. (12 marks)

**Question 3 (20 marks)**

3a. Briefly describe backward and forward integration. (4 marks)

3b. How a company gains market power through backward and forward integration? Provide a short example for both types of integration. (4 marks)

3c. Identify **THREE (3)** reasons with examples why a home country might discourage outgoing foreign direct investments. (12 marks)

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